

Chairman Vap called the regularly scheduled meeting to order at 10:01 a.m. with Commissioners Boyle, Lowell Johnson, Rod Johnson, and Vap present and Commissioner Landis was excused.

GENERAL ADMINISTRATION

Notice was duly published August 24, 2004, on Page 6 of The Daily Record that the regular public meeting of the Commissioners of the Nebraska Public Service Commission would be held August 31, 2004, at 10:00 a.m. in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln.

Attention was called to the following proceedings:

Tuesday, August 31, 2004:

GW-2141 Commission Hearing Room, Lincoln.
GWC-390 In the Matter of Pender Grain, Inc., Pender. Commissioner
1:30 Lowell Johnson chairing.

Wednesday, September 1, 2004:

NUSF-26 Commission Library, Lincoln.
10:00 In the Matter of the Commission, on its own motion, seeking
to establish a long-term universal service funding mechanism. Hearing will address telehealth plan. Commissioner
Vap chairing.

Tuesday, September 7, 2004:

B-1621 Video Conference. Commission Library, Lincoln, and Nebraska
10:00 State Office Building, Room 207, 1313 Farnam, Omaha.
In the Matter of Phoenix Counseling, Inc., d/b/a Phoenix
Transportation Services, Omaha, seeking authority as a
common carrier of passengers by van between points in
Douglas, Cass, Sarpy, and Washington counties in open class
service over irregular routes. Commissioner Boyle
chairing.

COMMUNICATIONS DEPARTMENT

AD-309 In the Matter of Puppchen, Inc., d/b/a National Account
Systems of Omaha, Omaha, seeking authority to connect an
automatic dialing-announcing device: Motion made by Commissioner Rod
Johnson, seconded by Commissioner Lowell Johnson, to enter an order
granting the application. Motion passed with Commissioners Anne
Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE,
Commissioner Frank Landis Excused Not Voting.

COMMUNICATIONS DEPARTMENT (Cont.)

FC-1311 In the Matter of Business Telephones, Inc., Scottsbluff, vs. Sprint Corporation, Overland Park, Kansas, alleging unfair business practices: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson, to enter an order dismissing the formal complaint. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting.

C-3201 In the Matter of Qwest Communications Corporation, Denver, Colorado, seeking authority to operate as a competitive local exchange carrier of telecommunications services within the State of Nebraska: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Anne Boyle, to enter an order denying the Motions to Dismiss and to schedule a hearing for September 28, 2004, at 2:00 p.m. in the Commission Hearing Room, Lincoln. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting. Commissioner Boyle will preside as the Hearing Officer.

C-3238 In the Matter of Telecom Management, Inc., d/b/a Pioneer Telephone, Portland, Maine, seeking authority to operate as a resale carrier of intrastate interexchange telecommunications services within the State of Nebraska: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting.

C-3241 In the Matter of eMeritus Communications, Inc., Dallas, Texas, seeking authority to change its name to VarTec Solutions, Inc.: Motion made by Commissioner Anne Boyle, seconded by Commissioner Lowell Johnson, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting.

C-3242 In the Matter of United Communications Hub, Inc., Rancho Cucamonga, California, seeking to withdraw its authority to operate as a resale common carrier of telecommunications service within the state of Nebraska, pursuant to Application C-2209: Motion made by Commissioner Anne Boyle, seconded by Commissioner Lowell Johnson, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting.

COMMUNICATIONS DEPARTMENT (Cont.)

C-3243 In the Matter of the Joint Application of QuantumShift Communications, Inc. Novato, California and VCOM Solutions, Inc., San Ramon, California, seeking approval of acquisition by VCOM Solutions, Inc. of QuantumShift Communications, Inc., a provider of Telecommunications Services: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting.

C-3256/ In the Matter of the Commission, on its own motion, seeking
PI-87 comment on the request by United Way of the Midlands to be assigned the use of "211" in Scotts Bluff County for access to First Call for Help (FCFH), a comprehensive information and referral service: Motion made by Commissioner Anne Boyle, seconded by Commissioner Lowell Johnson, to enter an order opening the docket. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting. Commissioner Vap will preside as Hearing Officer.

C-3240 In the Matter of Qwest Corporation, Denver, Colorado, seeking approval of its Commercial Line-Sharing Amendment to the Interconnection Agreement with DIECA Communications, Inc., d/b/a Covad Communications Company, Denver, Colorado, previously granted in Application C-2325: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Anne Boyle, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting.

Gene Hand updated the Commission on the status of the Annual Report on Telecommunications to the Legislature.

Gene Hand informed the Commission that Qwest, Verizon and USTA filed a mandamus petition at the District of Columbia Circuit Court asking the court to vacate the interim Triennial Review Order.

Gene Hand discussed the Greater Sheridan County calling plan Great Plains Communications introduced through a tariff filing.

Anne Boyle reminded everyone that Federal Communications Commissioner Michael Copps will be in Omaha on October 4 and 5, 2004, to speak at Creighton University.

UNIVERSAL SERVICE FUND

NUSF-37.25 In the Matter of Jeffrey L. Pursley, Director, Universal Service Fund, Complainant, vs. Electric Lightwave, Respondent: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson, to dismiss the complaint. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting.

Jeff Pursley reported on Late-Filed Carrier Remittances: Motion made by Commissioner Rod Johnson, seconded by Commissioner Anne Boyle, to levy late fees against Granite Telecommunications, that Complaints be filed against 1-800-Reconex, Inc., NUI Telecom, World-xChange Corporation, LDMI Telecommunications, Voicecom Telecommunications, Budget Call Long Distance, Global Crossing Telecommunications, and Arizona Telephony Brokers and that Complaint NUSF-37.29, previously discussed in the Commission Meeting of June 2, 2004, be dismissed and all pending late fees and administrative fines be waived. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting.

NUSF-26 In the Matter of the Commission, on its own motion, seeking to establish a long-term universal service funding mechanism: Jeff Pursley discussed the Clarification of Motion filed by the Nebraska Hospital Association for the approval of the Statewide Tele-Health Plan.

E911 DEPARTMENT

911-02 In the matter of the Commission, on its own motion, seeking to determine the surcharge for the Enhanced Wireless 911 Fund: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson, to enter an order scheduling a hearing for September 21, 2004, at 1:30 p.m. in the Commission Hearing Room, Lincoln. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting. Commissioner Rod Johnson will preside as Hearing Officer.

911-11 In the Matter of the Commission, on its own motion, seeking
PI-79 to establish Phase II enhanced wireless service implementation: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Anne Boyle, to enter an order approving vendors of choice. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting.

NATURAL GAS DEPARTMENT

FC-1319 In the Matter of Kinder Morgan, Inc., Lakewood Colorado,
vs. City of Hastings, Hastings, alleging installation of
duplicative and redundant natural gas piping and services in the City
of Hastings and its environs: Motion was made by Commissioner Rod
Johnson, seconded by Commissioner Anne Boyle, to enter an order deny-
ing the City of Hastings' Motion to Dismiss Formal Complaint. Motion
passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and
Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting.
Commissioner Rod Johnson will preside as Hearing Officer.

NG-0025/ In the Matter of OneOK Energy Marketing Company, Tulsa,
PI-85 Oklahoma, seeking suspension of Kinder Morgan, Inc.'s
proposed changes to the terms and conditions of its
Agriculture Choice Gas Service - Seasonal Service and Choice Gas
Service Tariffs, and petitioning the Commission to open an investiga-
tion: Laura Demman reported that Kinder Morgan filed revised tariff
sheets on August 27, 2004, and OneOK Energy Marketing Company filed a
Withdrawal of Complaint and Petition on August 30, 2004.

P-0008 In the Matter of Aquila, Inc., Omaha, seeking resolution of
a dispute under Neb. Rev. Stat. Section 57-1306 Stonecrest/
Meridian Park Subdivision: Laura Demman informed the Commission that
Metropolitan Utilities District filed an Answer to the Formal Com-
plaint on August 30, 2004. Commissioner Boyle will preside as Hearing
Officer.

P-0009 In the Matter of Aquila, Inc., Omaha, seeking resolution of
dispute under Neb. Rev. Stat. Section 57-1306 - Palisades
Subdivision: Laura Demman informed the Commission that Metropolitan
Utilities District filed an Answer to the Formal Complaint on
August 30, 2004. Commissioner Boyle will preside as Hearing Officer.

A-04-0662 In the Matter of Metropolitan Utilities District, Omaha
(NG-0008) seeking authority for Competitive Natural Gas Provider
authority in the state of Nebraska: Laura Demman informed
the Commission that Metropolitan Utilities District filed a Motion for
Summary Affirmance with the Court of Appeals and that the Attorney
General's office is preparing a brief in response on behalf of the
Commission. Commissioner Landis will preside as Hearing Officer.

RULES AND REGULATIONS

Rule and In the Matter of the Commission, on its own motion, seeking
Regulation to amend Title 291, Chapter 1, Rules of Commission Proce-
#161 dure, to rewrite a substantial portion of the rules;
 correct technical errors, grammar, punctuation, spelling,
sequential numbering and the like; and reprint the chapter in its
entirety: Motion made by Commissioner Anne Boyle, seconded by Commis-
sioner Rod Johnson, to enter an order opening the docket and seeking
public comment. Motion passed with Commissioners Anne Boyle, Lowell
Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis
Excused Not Voting.

Rule and In the Matter of the Commission, on its own motion, seeking
Regulation to amend Chapter 9, Natural Gas and Pipeline Rules and
#157 Regulations, to adopt rules in accordance with Nebraska
 Legislative Bill 790 [2003]: Motion made by Commissioner
Rod Johnson, seconded by Commissioner Anne Boyle to enter an order
extending the comment period for proposed Rule 005 to a date later to
be determined. Motion passed with Commissioners Anne Boyle, Lowell
Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis
Excused Not Voting.

LEGISLATIVE REPORT

 Motion made by Commissioner Lowell Johnson, seconded by
Commissioner Rod Johnson, to approve legislative proposals for the
2005 session. Motion passed with Commissioners Anne Boyle, Lowell
Johnson, Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank
Landis Excused Not Voting.

GRAIN WAREHOUSE DEPARTMENT

 John Fecht reported that there are 2 grain warehouse and 7
grain dealer licenses that have not been renewed due to background
checks.

GW-14/ In the Matter of John A. Fecht, Director, Warehouse Depart-
GWC-391 ment, Nebraska Public Service Commission, Complainant, vs.
 Laurel Feed & Grain Co., Union Grain Company, Fordyce
Farmers Non-Stock Cooperative, Garry's Farm Service, Inc., Hergert
Grain, Inc., Cameron Feed Co., Colon Elevator Co., and Straussville
Grain, Inc: Motion made by Commissioner Lowell Johnson, seconded by
Commissioner Anne Boyle, to enter an order dismissing the complaint in
part. Motion passed with Commissioners Anne Boyle, Lowell Johnson,
Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank Landis
Excused Not Voting.

GRAIN WAREHOUSE DEPARTMENT (Cont.)

John Fecht reported that there are 6 grain warehouse bonds not filed for the two-cent increase for review of financial statements.

Motion made by Commissioner Lowell Johnson, seconded by Commissioner Anne Boyle, to grant the following applicant a Grain Warehouse License for the amount of bushels set forth, subject to the fulfillment of all statutory requirements, for the license period ending June 30, 2005. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting.

		<u>BUSHEL</u>	<u>SECURITY</u>
GW-2171	B4 Grain, Inc., Kearney	565,413	\$124,500
GW-1119	In the Matter of Trotter, Inc., dba Trotter Grain & Fertilizer, Arcadia, seeking a measure-up of grain in its facilities at the Sargent location: Request was granted.		
GW-2068	In the Matter of Kaldahl Grain, Inc., Hardy, seeking cancellation of its Grain Warehouse License: Application was granted.		

Grain Dealer Division

Motion made by Commissioner Lowell Johnson, seconded by Commissioner Anne Boyle, to grant the following Grain Dealer Licenses Grain Warehouse License for the license period ending June 30, 2005. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting.

		<u>SECURITY</u>
GD-2171	B4 Grain, Inc., Kearney	\$ 73,000
GD-2888	Agricultural & Marketing, Inc., Eden Prairie, Minnesota	300,000
GD-2638	In the Matter of Old Republic Surety Company seeking cancellation of its Continuous Grain Dealer Bond No. RLI 522539 in the amount of \$150,000.00, issued on behalf of Grain Millers, Inc., Eden Prairie, Minnesota: Application was granted.	

TRANSPORTATION DEPARTMENT

B-1645 In the Matter of R & A Transport, LLC, York, seeking to acquire, through transfer, the authority granted to Raymond L. Eichman, York, in Certificate B-1483: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson, to grant the application as amended and revoke Certificate B-1483. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting.

B-1647 In the Matter of Pontine Enterprises Limousine Service, LLC, Hastings, seeking to acquire, through transfer, the certificate held by Running Horse Enterprises, LLC, Certificate B-1498: Motion made by Commissioner Rod Johnson, seconded by Commissioner Anne Boyle, to grant the application and revoke Certificate B-1498. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting.

Rate Division

MR-930 In the Matter of Movers and Warehouse Division, Nebraska Motor Carriers Association, Lincoln, seeking authority to establish a fuel surcharge in Nebraska Official Household Goods Tariff 7-F: The fuel surcharge was decreased to 28 cents per mile and the taxi surcharge retained at 40 cents per trip.

GENERAL ADMINISTRATION

Commissioner Rod Johnson exited the Commission Hearing Room.

Motion made by Commissioner Lowell Johnson, seconded by Commissioner Anne Boyle, to go into closed session to discuss personnel matters. Motion passed with Commissioners Anne Boyle, Lowell Johnson, and Jerry Vap voting AYE, Commissioners Rod Johnson and Frank Landis Excused Not Voting. The Commission went into closed session at 10:37 a.m.

Commissioner Rod Johnson returned to the Commission Hearing Room during the closed session discussion of personnel matters.

Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson, to return to open session. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting. The Commission returned to open session at 10:43 a.m.

GENERAL ADMINISTRATION (Cont.)

Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson, to approve the following invoices: Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson and Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting.

Larry Fauss	\$ 800.00
Laura Demman	557.31
Rod Johnson	855.45
Gerald Vap	670.50

Upon agreement of all Commissioners present, Commission meeting dates were scheduled as follows for the fourth quarter of 2004:

October 6, 13, 19 and 26
November 3, 9 and 23
December 1, 7, and 14
No meeting the weeks of November 15, December 20 and 27.

Upon agreement of all Commissioners present, authorization was granted for Jeff Pursley to attend the meeting of the Federal-Joint Board on Universal Service in Washington, DC from September 27-29, 2004. Most of the expenses will be paid by the Joint Board.

Upon agreement of all Commissioners present, authorization was granted for Commissioners Landis, Rod Johnson and staff member Angela Melton to attend the Technology On The Horizon Wireless Conference to be held in Spearfish, South Dakota, from September 25-28, 2004.

Motion made by Commissioner Rod Johnson, seconded by Commissioner Lowell Johnson, to approve the Commission budget for fiscal years 2005-06 and 2006-07. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE, Commissioner Frank Landis Excused Not Voting.

The meeting adjourned at 11:05 a.m. with Commissioners Boyle, Lowell Johnson, Rod Johnson, and Vap present and Commissioner Landis excused. The next regularly scheduled meeting will be held on September 8, 2004, at 10:00 a.m. with an agenda to be available in the office of the Executive Director at 10:00 a.m. on September 7, 2004.

Chairman

Executive Director